Retail Research

18th June, 2026

Equity Fundamental

Pick of the Day (Short Term Delivery Call)

Company Name: Action Construction Equipment Ltd.

NSE Code	ACE
BSE Code	532762
Market Cap (Rs cr)	11,434
Avg. Trading Vol. in lakh (5 days/30 days)	4.6/3.3
Avg. Delivery Vol. in lakh (5 days/30 days)	2.0/1.4
Promoter Holding (%)	65.4
Pledge (%)	-

CMP (Rs)	960
Accumulation Range (Rs)	950 – 970
Target (Rs)	1,055
Upside Potential (%)	10.0%
Duration	6-12 Months

Source: ACE Equity, SSL Research

Action Construction Equipment (ACE) is India's leading Material Handling and Construction Equipment manufacturing company operating across Infrastructure, Construction, Manufacturing, Logistics and Agri sectors. With over 28 years of industry presence, ACE enjoys market leading position in mobile cranes and tower cranes segment.

Investment Rationale:

Well-diversified product portfolio with market leading position in Mobile and Tower Cranes: ACE offers cutting-edge technology products with product offerings comprising of Mobile/Fixed Tower Cranes, Crawler Cranes, Truck Mounted Cranes, Lorry Loaders, Backhoe Loaders/Loaders, Vibratory Rollers, Forklifts, Tractors & Harvesters and other Construction Equipment. It is the largest Pick & Carry cranes manufacturer with ~63% market share in the Mobile Cranes segment and >60% in Tower Cranes segment domestically.

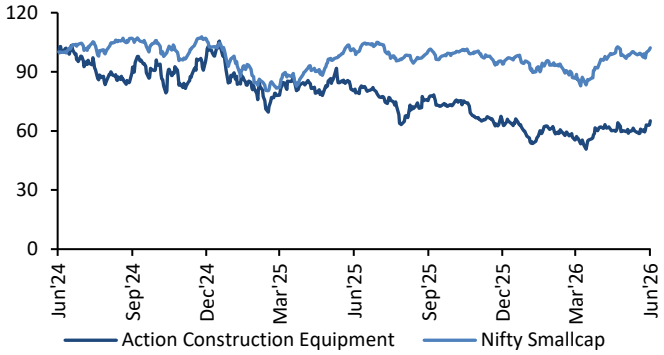
Improvement in demand expected: The construction equipment industry underwent upgrade of emission norms from CEV 3 (<50 HP engines) and CEV 4 (>50 HP engines) to CEV 5 on 1st Jan'25. The company announced price hike of 12-15% from Jan'25 to offset the higher costs. Higher prices coupled with pre-buying ahead of the new emission norms led to decline in industry volumes during FY26. Volumes are now showing early signs of recovery. Favorable base and revival of government spending on infrastructure projects is expected to drive demand for cranes and other construction equipment. The Union Budget increased the capex allocation to Rs 12.2 tn for FY27E, a 11% increase over FY26 RE. The 50:50 JV with Japanese crane OEM - Kato Works Co will establish a dedicated platform for truck cranes, crawler cranes and rough cranes, strengthening ACE's presence in the heavy crane segment.

Exports and Defence - Additional growth drivers: The India – EU FTA is likely to boost exports with the company targeting doubling the share of exports in the total revenue to 15% over the medium term. As part of the agreement with Kato Works, ACE may also export components/material to KATO Japan for its other construction equipment, thus further boosting export revenue for ACE. The defence order book currently stands at ~Rs 575 cr as of Mar'26. Company expects defence to contribute 5-6% of the total revenue in FY27E from the ~3% contribution in FY26. The execution of the large order for rough terrain forklifts / telehandler is expected to start in 1QFY27. ACE has also received orders for platforms for the QRSAM (Quick Response Surface to Air Missile) and is currently building prototypes for the same.

Valuation: At CMP of Rs 960, the stock trades at FY27E/FY28E P/E of 25.2x/21.8x respectively. 2026 looks promising for the company given the structural growth tailwinds from higher government spending on infrastructure and supportive policy measures.

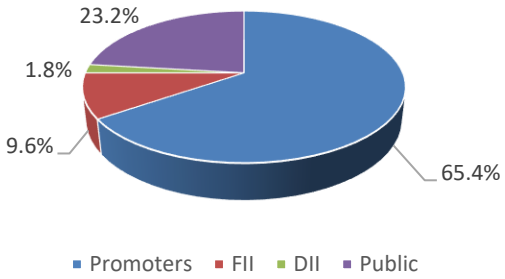
Key Risks: Continued slowdown in industry volume growth; Weak financial health of infrastructure contractors resulting in delayed purchases of new equipment; Competition from foreign crane OEMs and imports

Stock Performance (Indexed to 100)



Source: ACE Equity, SSL Research

Shareholding Pattern (Mar'26)



Source: BSE, SSL Research

Why Now?

Sr. No.	Parameters	Score
1	Recent financial performance (management guidance, return and margin profile, growth and cash flow)	✓
2	Overall corporate governance (Promoter pledge, credit rating, audit qualified opinion etc)	✓
3	Recent stock price movement-worst is over for stock, all negatives in the price (valuation, 52W H/L, below average PE etc)	↔
4	Beneficiary of recent macro and industrial developments (Regulatory, Fiscal/Monetary policy, favourable industrial outlooks etc)	✓

↔ - Neutral ✓ - Positive ✗ - Negative

Duration of recommendation: Short to Medium term

** Please refer to our call guide mentioned below.*

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
NA	NA	NA	NA	NA

Call Guide:

The above recommendation is meant for short term investment purpose with holding period between 180-360 days and target upside upto 10% (+/- 0.5%). The recommended price is previous day's closing NSE price (except the stock only listed on BSE). In case of gap-up opening the call is termed "Not Entered" only if stock price does not come within +1% of previous close price on the day of call; partial profit is generally not advised; Call can be rationalized (changed) by Fundamental team at their discretion; generally to average or exit at loss (cut-loss strategy).

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